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C O N F I D E N T I A L PANAMA 001858

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TAGS: [PGOV](#) [PREL](#) [PM](#)  
SUBJECT: PANAMA: BALBINA - "I DON'T WANT TO RUN FOR  
PRESIDENT"

Classified By: Ambassador William A. Eaton. Reasons: 1.4 (b)  
and (d)

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Summary  
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¶1. (C) "I don't want to run for president. (Panama City Mayor) Juan Carlos Navarro will be the PRD presidential nominee," Panamanian Minister of Housing Balbina Herrera told POLCOUNS on December 9. Echoing her emphatic August 9 assertions to DCM, she declared, "I intend to run for mayor." Asked whether the governing Revolutionary Democratic Party (PRD) was moving in a more leftward and/or populist direction, Herrera said emphatically, "No." Stating the need to continue moving in the modernizing direction started by President Martin Torrijos, Herrera said, "I am particularly concerned about the need to provide opportunity to middle class professionals." Aware of her own anti-American activities in the past, Herrera professed to want a "richer exchange of views" with the U.S. Herrera, at the conclusion of this three-hour conversation, led POLCOUNS on a tour of a recently completed housing complex to provide permanent shelter to those left homeless by the December 2005 Curundu fire.

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"I Don't Want to be President"  
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¶2. (C) "I don't want to run for president," Herrera declared. Panama City Mayor "Juan Carlos Navarro will be the PRD presidential nominee." Pressed that Herrera consistently out-pollled Navarro and that her popularity seemed to rise every time that she denied wanting to be president, Herrera said that she had made a commitment to Navarro to support him for president; "I stand by my word." As when the DCM pressed on August 9, Herrera insisted that she wanted to be mayor. Later she remarked that her time to run for president would come in 2014. She recounted how in 1995, following the President Ernesto "El Toro" Perez Balladares' presidential victory in which Balbina helped deliver San Miguelito (Panama's second largest municipality) to him, that Perez Balladares offered her a ministerial position. "I turned it down because I wanted to be President of the National Assembly. I wanted to learn the congressional process, about how the budget process works, our programs." Disappointed, El Toro told her that she would have to get the votes on her own, to which Herrera said she responded, "I will. Just don't block my efforts." Staying in the National Assembly proved to be "the best decision. I learned a tremendous amount." "I now want to be mayor of Panama. I think it will

be a similar learning experience."

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Inside the PRD Today  
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13. (C) Turning to the current dynamics in the PRD, Herrera said that Navarro was currently the only viable -- though not perfect -- option to be the PRD's presidential nominee. "There's no way (current First VP and FM) Samuel Lewis will win the nomination." His campaign had failed to start, he had no structure, and he had no base in the PRD, Herrera summarized. As for Perez Balladares, he is a very proud man -- "You know that he is deeply wounded by his lack of U.S. visa" -- but was a spent force in the PRD.

14. (C) Navarro would have a lot of work to do winning over key segments of the PRD, including "Torrijistas," but Herrera assessed that Navarro would eventually be able to win over doubters within the party. Asked if Navarro heeded her advice, Herrera said, "Not frequently enough. He is still relatively new to the PRD and would benefit from listening to advice. He really has no structure around him, just himself and a couple of advisors. Unfortunately, he doesn't seem to listen to anybody but himself." Navarro was particularly bad about not heeding the party's own unwritten internal rules for building a base of support. "He came to me once asking for a public statement of support. My first question was, 'Have you spoken with the President?' He said he had not, so I told him, 'Do you know how he would explode if you were here lobbying me now?'"

15. (C) Previously on August 9, Herrera had told DCM that she thought that Navarro was paying too much attention to his presidential candidacy and not enough attention to his job as mayor. Herrera told DCM then that she was not going to be "manipulated" by anybody and would not "owe Torrijos or anybody else any favors." While she agreed to run for the PRD Presidency, she said at the time that she would not rely on anybody to get her the votes. As she said on December 9 with respect to the PRD Presidency, so too Herrera said with respect to the mayor's race, "I will go earn the votes on my own."

16. (C) Torrijos had been weakened by "his mishandling" of the election of Pedro Miguel Gonzalez (PMG) as President of the National Assembly, but he still determined the direction of the party. "Torrijos is still our president. I've always been a disciplined PRD member, sacrificing quite a bit along the way. I will continue to support my president." Regarding PMG's election, she said, "I told him (PMG) that I'd sacrificed a great deal for my party and my election. Asked by Torrijos to make room for Lewis and (Second VP Ruben) Arosemena to be vice presidential nominees, I stepped aside. A lock to be President of the PRD, I stepped aside when asked to make room for Hugo Giraud." (Note: She laughed hysterically when POLCOUNS could not remember the name of the PRD's president.) "Yet, Pedro Miguel was stubborn and thick (torpe) and selfish; he refused to step aside," Herrera said disdainfully. "When I saw that his entire family was up in the galleries, I knew that he was not going to resign after being sworn in." She asserted that PMG omitted the final page of his speech, which she had seen, in which he would have announced his resignation.

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"Need to Provide Opportunity to Middle Class Professionals"  
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17. (C) "We now have a massive party, slightly over half a million members," Herrera said, "who come from all walks of life and different social strata." Arguing that the party needed to continue in the modernizing direction that Torrijos had charted, Herrera said, "We need somebody like Navarro who continue to pull this mammoth party in that direction." Asked if the party needed to turn in a more leftward and/or populist direction, Herrera said, "No." Asserting that left/right did not make much sense in Panama, especially

today, Herrera said that the PRD needed to be the party for all Panamanians. "These days I am particularly concerned about the need to provide opportunity to middle class professionals."

18. (C) Whether doctors or teachers, engineers or accountants, Herrera said that it was becoming increasingly difficult for middle class professional families, even with two incomes, to sustain their standard of living given flat wages and the rise in the cost of living. "Most importantly though, I am worried about the lack of opportunity for middle class professionals to rise above a glass ceiling in the companies and industries controlled by elite families. The business leaders need to open opportunity for these people to achieve." Asked if she was worried about providing opportunities for lower class workers, Herrera said, "No. We have programs for them. Many jobs have been created in construction and security. While there are still problems, things are improving, and they know that we are responsible for that improvement."

19. (C) If Panama was to share wealth and opportunity more equitably, the economy had to continue growing. "I don't wish to return to the ideas of my radical past. Torrijos has shown us how we can keep the economy growing." That said, over the years, Herrera told DCM on August 9 that she had learned to respect the role of private enterprise. "We need to let them do their business," she said, "but the government has a role to play in ensuring wealth and opportunity are shared." Poverty, she added, was Panama's biggest challenge, but one in which the PRD was not reaching the masses; "It is a ticking time bomb." She told DCM that cited crime was the second biggest challenge, but one that only received attention when somebody in an upscale neighborhood was a victim.

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"Want to Keep a Conversation Going with the U.S."  
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10. (C) "I want to keep a conversation going with the U.S.," Herrera said. She added that such contact needed to be handled carefully so as not to upset Torrijos or draw too much attention to the relationship. "You know that the Consejo (Council for Public Security and National Defense) listens in on all of us," she said in an aside, echoing her August 9 comments to DCM. Herrera concurred that the PRD could often seem to be a black box in which it was often difficult to decipher what was going on inside. "I am a bit surprised that you wanted to talk politics with me. I thought that the Embassy supported (Democratic Change (CD) President and presidential candidate Ricardo) Martinelli," Herrera said. POLCOUNS said that that was not true, that the U.S. was not backing candidates in Panama, and that the U.S. was focused on supporting a free, fair, and transparent electoral process that strengthened Panama's democracy. Whereas on August 9 she was primarily concerned by the challenge that former President Guillermo Endara would present in the presidential race, on December 9 she was primarily concerned about Martinelli.

11. (C) "The U.S. and the PRD would benefit from a richer exchange of views." Aware of her own anti-American activities in the past, Herrera asserted, "I've come to realize that Panama needs a strong partnership with the U.S."

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Tour of Curundu Housing Projects  
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12. (C) The day's three-hour conversation concluded with an impromptu visit to a recently opened housing project for those left homeless by the December 2006 fire in Curundu. Prior to departing, Herrera explained that she had focused the Ministry of Housing (MIVI) on three main tasks: building new public housing, rehabilitating older public housing, and keeping better housing statistics to track progress. "My ministry has a plan that we prepared carefully. When I had

to travel to the States for a month for medical treatment for my granddaughter, I could do so confidently because my team is committed to this plan and knows what to do." She then mounted up a handful of camp-followers and dashed off -- POLCOUNS in tow -- to see an innovative housing project built in an old lingerie factory. With great pride, Herrera strolled through the self-contained complex that provided efficiency, one bedroom and two bedroom homes to thirty-three of the nearly one hundred families left homeless by the fires. She greeted many inhabitants by name and received a hero's welcome. To live here, tenants had to sign an agreement to care for this property. Also, MIVI coordinated with other ministries to bring in other needed social services. She also outlined plans to purchase an unused warehouse and condemn a dilapidated building across the street to provide sixty to seventy more public housing units.

Asked by one occupant, "You're not going to run for President; you're going to be our mayor, right?," Herrera responded, "Right."

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Comment  
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¶13. (C) Herrera's emphatic assertions that she would not run for president fly in the face of what is increasingly becoming accepted wisdom that she will be the PRD presidential nominee. If true, then the opposition -- portions of which are trying to demonize her, a task for which they have plenty of Noriega-era material -- may be preparing to run against the wrong candidate.

¶14. (C) Herrera came across as a fully committed PRD member who was prepared to sacrifice for her party but who also skillfully preserved her own political space. She strived to impress separately upon DCM and POLCOUNS that she had consciously -- and more importantly independently -- arrived at her decision to run for mayor of Panama City, not president. She portrayed this decision as a deliberate effort to gain executive experience and to overcome her skeptics' concerns regarding her radical past. Of course, there could be a more strategic element to her calculus to run for mayor now and president later. In doing so, she may believe that she can avoid failing to overcome the pendular effect of Panamanian politics that since 1989 has thrown each incumbent party out of government and replaced it with the opposition. Seen in this light, Herrera may be calculating that Navarro will take the fall for the PRD in 2009 leaving her to swoop in to then benefit from the pendular effect in 2014 to ride it back into power.

¶15. (C) Of course, it remains to be seen if Herrera -- the non-presidential candidate who's presidential numbers go up every time she professes not to want to be president -- would succumb to "draft Balbina" effort. The most that Herrera would admit on either August 9 or December 9 was were circumstances to change sufficiently, then the political game -- and her role in it -- might change.

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